

Document Name:	Conflict of Interest Policy
Purpose:	The purpose of this Policy is to protect the Foundation's interests when it is contemplating a transaction or other arrangement, like grantmaking, that might benefit the private interests of an officer, director, staff or committee member, or might result in a possible excess benefit transaction. This Policy is intended to supplement, but not replace, any applicable state and federal laws governing conflicts of interest applicable to nonprofit and charitable organizations.
LCF Board Approval Date:	11/14/2021
Revision Dates:	EARLIER DATE: 11/17/2010 11/14/2021 – updated definition of COI to include real AND perceived
National Standards Requirement:	Yes

POLICY

PURPOSE & SCOPE

La Crosse Community Foundation (the “Foundation”) encourages the active involvement of its directors, officers, committee members, and employees in the community. It also commonly nominates board and committee members due to their professional expertise and affiliations. While such other involvement and affiliation is generally beneficial to the purposes of the Foundation, it may give rise to actual or potential conflicts of interest. To deal openly and fairly with any actual or potential conflicts of interest – including to reduce or eliminate the perception of favoritism or undue influence with grantmaking – the Foundation’s Board of Directors adopts the following Conflict of Interest Policy.

This policy is the expression of one of the paramount duties of directors, officers, and employees of 501c3 nonprofit organizations – *the duty of loyalty*. This duty broadly commands any persons with decision making authority at the Foundation to always be faithful to the Foundation’s best interests first and not to use their organizational position or knowledge to advance a personal or other agenda.

Directors, officers, committee members, and employees are expected to use good judgement, to adhere to high ethical standards, and to conduct their affairs in such a manner as to avoid any actual or potential conflicts of interest.

This policy also extends to members of a committee with governing board delegated powers, including scholarship selection committees and field of interest fund advising committees.

DEFINITIONS

- a. **Interested person:** Any director, officer, member of a committee with governing board delegated powers, and employee, who has a direct or indirect financial interest as defined below, is an interested person with an obligation to adhere to this policy.
- b. **Conflict of Interest:** A conflict of interest exists when the personal or professional interests of an interested person may affect his or her ability to be objective, or a case in which their objectivity may be legitimately questioned by an outside party. Conflicts of interest are generally financial or nonfinancial related.
- c. **Financial (or business) interest:** A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:
 - i. An ownership or investment interest in any entity with which the Foundation has a transaction or arrangement,
 - ii. A compensation arrangement with the Foundation or with any entity or individual with which the Foundation has a transaction or arrangement, or
 - iii. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Foundation is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. A person who has a financial interest may have a conflict of interest only if the Board or Executive Committee decides that a conflict of interest exists, in accordance with this policy.

- d. **Nonfinancial (or community) interest:** A nonfinancial interest is when a person's other affiliations, relationships or community involvement for which they do not receive any sort of financial compensation may prohibit their ability to be objective, including:
 - i. The person's relationship or an immediate family member's relationship as an unpaid volunteer, officer or director of an organization may be affected, directly or indirectly, by an action to be taken or not taken by the Foundation
 - ii. The person's personal, political, religious, friendship or family relationships may be affected by an action to be taken, or not taken, by the Foundation.

PROCEDURES

- a. **Duty to disclose** – As soon as any Interested Person becomes aware of any actual or potential Conflict of Interest such person shall disclose such Conflict of Interest and all material facts pertaining thereto. If an Interested Person first becomes aware of an actual or potential Conflict of Interest at a board, committee, or other meeting, at which action is to be taken with respect to a matter relating to such Conflict, such disclosure shall be made to all other persons present at such meeting. In all other cases,



such disclosure shall be made to the Chair or, in the case of an actual or potential Conflict of Interest involving the Chair, the Chair shall disclose such Conflict to the Secretary or to the chair or presiding officer of any committee which is to act upon the matter, as appropriate. The Chair or other person to whom a Conflict of Interest is disclosed shall, prior to any meeting of the Board or any committee of the Foundation which is to act upon the matter, advise the members of the Board or committee, as appropriate, of the nature of the Conflict of Interest and of the Interested Person involved.

- b. **Abstention** – An Interested Person who has a Conflict of Interest shall abstain from voting on any matter pertaining to such Conflict of Interest at any Board or committee meeting at which the same is to be considered. Such Interested Person may be present at the discussion, but MAY NOT contribute to the discussion or vote. Members are allowed to stay in the room unless the Chairperson or other person presiding at the meeting at which such matter is to be considered (or, in the case of a Conflict of Interest involving the Chairman or such presiding officer, any other director or committee member present at such meeting) may, if he or she believes it appropriate, ask that the Interested Person involved leave the meeting for the duration of the discussion and vote of related items. The fact that the Interested Person in question has abstained from voting and/or been absent from discussion shall be reflected in the minutes of the meeting.
- c. **Recusal of self** – Any Interested Person may recuse himself or herself at any time from involvement in any decision or discussion in which the person believes he or she has or may have a conflict of interest.
- d. **Violations of the Policy** – If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

RECORDS OF PROCEEDINGS

The minutes of the Board and all committees with board delegated powers shall contain:

- a. The names of the persons who disclosed or otherwise were found to have a conflict of interest and the person's abstention from the discussion and vote relating to the transaction or arrangement,
- b. Any discussion and action taken to determine whether a conflict was present, and the Board's or Committee's decision as to whether a conflict in fact existed.
- c. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, and a record of any votes taken in connection with the proceedings.

ANNUAL STATEMENTS

Each director, officer, member of a committee with governing board delegated powers and employee shall annually complete a disclosure statement form which affirms such person:

- a. Has received a copy of the Conflict-of-Interest Policy,
- b. Has read and understands the policy,
- c. Has agreed to comply with the policy, and
- d. Understands the Foundation is a 501c3 charitable organization and to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

An Interested Person who is (or whose family member is) a lawyer, accountant, architect, engineer, consultant, broker, agent or other provider of professional services need not disclose the identities of his or her (or any family member's) clients or customers on his or her Annual Questionnaire, but shall disclose any Conflict of Interest involving any such entity promptly after he or she becomes aware thereof, as provided in Section 3.3; and

In addition to any Non-Profit Entities with which he or she has a current Community Relationship, each Interested Person who is an employee of the Foundation shall disclose on his or her Annual Questionnaire any Non Profit Entity(ies) with which he or she had any Community Relationship during the five year period preceding the completion of the Annual Questionnaire.

The annual Conflict of Interest Disclosure Form is attached to this policy.

FOUNDATION INVESTMENTS

No person shall serve as a member of any board or advisory committee providing investment advice to the Foundation if such person, or a member of his or her immediate family, has a Financial Relationship with any investment manager or other person engaged to manage any part of the Foundation's investment portfolio or to otherwise consult with or advise the Foundation with respect to investment matters or the selection, evaluation, or supervision of investment advisors, managers, or custodians.

REVIEW OF POLICY

To ensure the Foundation operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. Review of Key Person Compensation in accordance with Compensation Policy
- b. Review of Scholarship Award Nominees in accordance with Scholarship Policies
- c. Review of annual disclosure forms completed in accordance with this policy

When conducting the periodic reviews, the Foundation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.



Conflict of Interest Policy and Disclosure Statement

In accordance with the Conflict of Interest Policy adopted by the Foundation's Board of Directors, all board members and staff are asked to complete the following questionnaire. The policy provides that a board member with a Conflict of Interest may not vote on any matter with respect to which he or she has a Conflict of Interest, and that such business conflict, as described in item 1 of the questionnaire, also precludes voting on such matters. The Board Chair may request that a member not participate in a discussion of a possible grant in the case of a conflict with respect to that prospective grantee. To avoid being overly intrusive, you are not required to provide information about the interests of family members in the questionnaire, although if such a conflict exists with respect to a specific transaction or grant that is under consideration, you will be expected to disclose it.

- a. **Business Affiliations** - List all relationships with any person, firm, company or other organization which, to the best of your knowledge, provided any goods or services with an annual value of \$1,000 or more to the Foundation or its affiliates in any of the past five years. This would include any relationship as a director, officer, partner, owner or family member of the person or entity, as counsel, or if you received any gifts or loans from, or if you have a compensation or other financial arrangement with, the person or entity.

- b. **Nonprofit Organizations** - List any relationships with nonprofit organizations. This would include any relationship as a director, officer or employee of the organization, as counsel to it, or if you have a compensation or other financial arrangement with the organization.

- c. Other - List any other activities during the past year that might be interpreted as a possible conflict of interest with your role with La Crosse Community Foundation.

☐ By checking this box, I confirm receipt and understanding of the La Crosse Community Foundation Conflict of Interest Policy. I also certify that to the best of my knowledge the information I've disclosed is complete and accurate, and that I agree to report promptly to the Chair of the Board of Directors any changes in my disclosure responses.

Please check all appropriate boxes below indicating your involvement with La Crosse Community Foundation:

- ☐ LCF Board Member
- ☐ LCF Committee Member
- ☐ LCF Staff
- ☐ Other (Vendor, Consultant, etc)

Signature

Date